

Message Text

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ACTION OES-06

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SUBJ: A STOP-GAP INVESTMENT IN NUCLEAR TECHNOLOGY

1. THE FIRST USE OF GOVERNMENT'S 15-BILLION-GUILDER (2.62 GUILDERS EQUAL ONE DOLLAR) FUND TO SUPPORT JOB-CREATING INVESTMENT (THE HAGUE 3248) WILL KEEP ALIVE DUTCH PARTICIPATION IN THE JOINT GERMAN-BENELUX FAST BREEDER REACTOR PROGRAM (SNR). ECONOMICS MINISTER LUBBERS HAS INFORMED THE SECOND CHAMBER OF PARLIAMENT THAT THE GOVERNMENT WILL PROVIDE 46 MILLION GUILDERS THROUGH 1979 TO NERATOOM, THE VFM-STORK

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-RSV CONSORTIUM, TO SUPPORT THE DEVELOPMENT AND SCALING-UP

OF THE SODIUM-BASED COOLING SYSTEM OF THE SNR REACTOR. PRESENT DUTCH FUNDS, WHICH ONLY COVER RESEARCH AND DEVELOPMENT OF THE PROGRAM'S FIRST STAGE, COME FROM A SPECIAL "KALKAR" LEVY ON CONSUMERS OF ELECTRICITY.

2. WHEN THE SNR PROGRAM STARTED IN 1968, DUTCH INDUSTRY WAS TASKED WITH THE DEVELOPMENT AND SUPPLY OF LARGE COMPONENTS FOR THE REACTOR'S SODIUM-COOLING SYSTEM, INCLUDING PUMPS, HEAT EXCHANGERS AND STEAM GENERATORS. THERE IS A GOOD CHANCE THAT IF DUTCH INDUSTRY CONTINUES PARTICIPATION AFTER STAGE ONE, IT WILL BE ABLE TO RETAIN ITS LEAD IN HIGH QUALITY SODIUM-COOLING TECHNOLOGY, SINCE GERMAN KNOW-HOW IN THIS FIELD IS LIMITED AND FRENCH INDUSTRY IS HEAVILY INVOLVED IN THAT COUNTRY'S PHENIX FAST BREEDER PROGRAM.

3. DUTCH INTEREST IN THE FRENCH PROGRAM ALSO REMAINS HIGH. AN ECONOMIC MINISTRY OFFICIAL INFORMED US THAT PHENIX IS A STEP AHEAD OF SNR, SINCE THE DECISION TO CONSTRUCT THE 1240-MEGAWATT SUPER PHENIX DEMONSTRATION REACTOR WILL BE TAKEN THIS YEAR. THE NETHERLANDS HAS AN OPTION TO PARTICIPATE IN THE PHENIX PROGRAM. LUBBER'S APPROVAL TO TURN THIS OPTION INTO A 2.5 PERCENT PARTICIPATION BY THE NETHERLANDS JOINT ELECTRICITY COMPANIES HAS RUN INTO STRONG PARLIAMENTARY OPPOSITION. SECOND CHAMBER CONTINUES TO DEBATE ISSUE, AND A FINAL DECISION IS EXPECTED TO BE TAKEN SOON.

4. COMMENT: DESPITE THE RESISTANCE BOTH INSIDE AND OUTSIDE PARLIAMENT TO NUCLEAR ENERGY, LUBBERS IS KEEPING ALIVE DUTCH PROSPECTS IN BOTH PROGRAMS. IN DECIDING TO MAKE ITS FIRST SUBSIDY FOR INVESTMENT IN THE SNR PROGRAM, THE GOVERNMENT HAS CHOSEN AN AREA WHERE PRIVATE INVESTMENT IS UNLIKELY TO BE DIRECTED. IT HAS ALSO WALKED A NARROW LINE BETWEEN PROPONENTS AND OPPONENTS OF NUCLEAR ENERGY. THE SNR PROJECT HAS BEEN SEVERELY CRITICIZED BY ENVIRONMENTALISTS EVER SINCE ITS INCEPTION. THE STRENGTH OF THE ANTI-NUCLEAR LOBBY IS SUCH THAT IT FORCED THE GOVERNMENT TO POSTPONE TWO DECISIONS IN THE LAST YEAR: (1) WHETHER TO PROCEED WITH THE CONSTRUCTION OF THREE 1,000 MEGAWATT POWER STATIONS BY 1985 AND (2) , WHETHER TO PARTICIPATE IN THE SECOND STAGE OF THE SNR PROGRAM. THE LATTER CAME IN THE EXPLANATORY NOTE LIMITED OFFICIAL USE

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TO THE GOVERNMENT'S 1976 BUDGET, INTRODUCED IN PARLIAMENT IN SEPTEMBER 1975, WHEN LUBBERS AGREED TO POSTPONE THE SNR DECISION UNTIL THE SECOND STAGE COMMENCES IN 1980. WHAT THE NEW INVESTMENT WOULD DO, IF APPROVED, IS TO KEEP OPEN THE OPTION OF MAKING THE DECISION THEN. WITHOUT NEW FUNDS, THE DUTCH WOULD HAVE BEEN UNABLE TO KEEP UP WITH THE LEVEL OF TECHNOLOGY NECESSARY TO PARTICIPATE IN STAGE TWO, AND THIS WOULD HAVE BEEN TANTAMOUNT TO A DECISION NOT TO PARTICIPATE. IN

ANY CASE, LABOR MINISTERS IN THE GON ARE SURE TO HAVE TAKEN
NOTE OF THE RESULTS OF SWEDEN'S WEEKEND ELECTIONS.
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